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AREA REDEVELOPMENT ADMINISTRATION

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The object of this report is to measure the economic impact of Schweitzer Basin, an ARA-financed ski resort, at Sandpoint, Bonner County, and neighboring redevelopment areas in northern Idaho. The report is drawn from a field survey by John A. Flory, Office of Planning and Research, ARA, and from facts and materials gathered in conjunction with a pending request for additional financial assistance for expansion of the resort.

INTRODUCTION

The field survey involved an inspection of the ski resort and the surrounding area; personal interviews with motel, hotel, restaurant, tavern, and retail store operators, officials of the borrowing corporation and the overall economic development committee (OEDP), and concessionaires; and a review of the operating figures and files of the resort and a leading motel. Facts and materials gathered in conjunction with the new loan application were verified in some instances, and represent a major contribution to the report.

The impact analysis in the following sections is supported by the subsequent sections of the report. These subsequent sections should be

read in conjunction with the impact analysis for a full understanding of the report.

The total of the information gathered is used in the impact analysis to estimate the following:

- The number of skiers patronizing the Sandpoint area and the percentage who stayed overnight
- Total expenditures by skiers in the area
- The probable full-time job equivalents represented by these expenditures
- A separate estimate of full-time employment equivalents as derived from the ski resort records, Idaho Employment Security Agency figures and planned new enterprises



Cose Book No. 11 - October 1964

Economic Impact of SCHWEITZER BASIN SKI RESORT SANDPOINT, IDAHO

An onalysis of the economic impact of Schweitzer Bosin Ski Resort, Sandpoint, Idaho, which was constructed with ARA-financed assistance. Gives estimates on tourist (skier) participation, income, employment, and sales of goods and services during the 1963-64 ski season of the resort.

- The number of directly-related job equivalents

- A rough estimate of the probable amount of indirect employment

- Examples of the impact of the project such as, planned new private investment in the area (mainly gathered in conjunction with the pending application), business increases, changes in employment and unemployment, and several other miscellaneous examples.

An attempt is also made to relate the Schweitzer Basin project to development of the whole of northern Idaho.

THE IMPACT ANALYSIS

Number of skiers and resort revenues

Patronage of Schweitzer Basin amounted to approximately 30,000 skier days during the resort's somewhat abbreviated 1963-64 season. Approximately one-third of these skiers stayed overnight in commercial accommodations while the remaining two-thirds stayed elsewhere or returned home. Total skier expenditures in the Sandpoint area amounted to an estimated \$312,600.

The total number of skier-days spent at the project was estimated, with the assistance of the ski resort manager, as follows:

Day lift ticket sales (\$4 each)	\$67,522.73	16,900 skier-days
Rope tow ticket sales (\$1-\$1.50 each)	2,632.50	2,100 skier-days
T-bar ticket sales (\$2.50 each)	592.52	250 skier-days
Season tickets (\$1 a day)	10,311.00	10,300 skier-days
Total	\$81,058.75	29,550 skiers

Other revenues of the ski resort were:

Concessions:		
Cafeteria	\$2,292.38	in rental income
Ski shop	1,297.23	in rental income
Bar (2 months)	366.26	in rental income
Rental income to the ski resort amounts to 10 percent of total concession revenue; thus, the foregoing income figures were equal to about \$40,000 in skier spending.		
Miscellaneous income (ski school, etc.) amounted to \$619.		

Number of skiers staying overnight

The percentage of skiers staying overnight is based on the actual interview of motel and hotel operators (and, in a couple of instances, inspection of records). From these interviews, it is estimated that an average of 216-241 skiers were supplied with sleeping accommodations on weekends during the season. The av-

erage number of weekend skiers was estimated at between 600 and 700. To avoid overstatement, the 700 total figure is related to the 216-241 overnight figure to get the percentage, 31-34 percent (or roughly one-third), of total skiers staying overnight. Thus, it is estimated that about one-third, or 10,000, of the 30,000 skiers stayed overnight.*

Estimated daily budget for skiers at Schweitzer Basin

Expenditures of skiers at the ski resort were derived from the resort's operating records. Expenditures not at the resort but in the redevelopment area are estimates developed from local interviews and other sources. From these records and estimates a daily budget for the skiers was developed, as follows:

	<u>Day skiers</u>	<u>Overnight skiers</u>
At the project:		
Average lift fee	\$2.67	\$2.67
Cafeteria	1.00	1.00
Ski shop and misc.	0.50	0.50
	<u>\$4.17</u>	<u>\$4.17</u>
In the area:		
Breakfast	\$1.25	\$1.25
Dinner	2.00	2.00
Beverages & misc.	1.00	2.00
Lodging	--	5.00
	<u>\$4.25</u>	<u>\$10.25</u>
Total expenditures per skier day -----	<u>\$8.42</u>	<u>\$14.42</u>

Skier expenditures estimated for three situations

Situation 1

Based on Schweitzer Basin's 1963-64 abbreviated 112-day, 1963-64 season, total skier expenditures were as follows:

10,000 overnight skiers at \$14.42	\$144,200
20,000 day skiers at \$8.42	168,400
Total skier spending in area	<u>\$312,600</u>

Situation 2

Based on a pro-forma full season operation of 180 days instead of 112 days and, therefore, 48 200 skier days instead of 30,000 skier days, total skier expenditures would have been as follows:

* This calculation makes the rough assumption that the percentage of weekend skiers staying overnight is similar to that for non weekend skiers, leaving the possibility of a small error, probably on the conservative side.



The Schweitzer Basin Ski Lodge overlooks tourist-drawing scenic grandeur.

16,100 overnight skiers at \$14.42	\$232,000
32,100 day skiers at \$8.42	270,000
Total skier spending in area	\$502,000

Situation 3

Situation 3 looks ahead to a time when the area is more fully, but not completely, developed. For this stage, a year or two in the future, the following hypothetical, but yet quite reasonable assumptions are made:

- A small expansion in area facilities (1 T-bar) which would permit 180-day revenues of \$150,000 instead of the \$130,000 estimated for present facilities
- An expansion of first-class accommodations in the area which would raise overnight skier expenditures to \$16.50 a day (from \$14.42) and round off day skier expenditures at \$8.50 (from \$8.42)

- A fifty-fifty ratio of overnight to day skiers (as against one-third to two-thirds), which should develop with more abundant accommodations and more widespread knowledge of the resort
- The addition of an average of 100 vacation skiers to the midweek period following promotion of the area as a vacation resort.

Based on the foregoing assumptions, total skier expenditures would be as follows:

28,150 overnight skiers at \$16.50	\$464,000
28,150 day skiers at \$14.42	239,000
13,000 additional midweek skiers at \$16.50	214,000
Total skier expenditures in area	\$917,000

Employment created

Using a figure of one full-time job equivalent for every \$10,000 in skier expenditures (the

weighted average of revenues per job at ski slopes, accommodations, food and beverage establishments, etc. is roughly \$10,000) and estimating directly related jobs, the following employment would be created in the three situations described earlier:

	<i>Situation 1</i>	<i>Situation 2</i>	<i>Situation 3</i>
Skier days	30,000	48,200	69,300
Expenditures	\$312,600	\$502,000	\$917,000
Direct jobs	31	50	92
Directly related jobs	2	3	5
Estimated indirect employment	18	29	52
Total jobs created by skier expenditures	51	82	149

A second device for obtaining an estimate of employment created by the Schweitzer Basin project is the use of the project employment records, Idaho Employment Security Agency figures, and the projected employment of planned new enterprises:

	<i>1963-64 actual 112 day basis</i>	<i>1963-64 pro- forma 180 day basis</i>	<i>Future basis</i>
At ski resort	13	21	22
Elsewhere in the area as reported by IESA	21	34	53
Projected employment at planned new enterprises	--	--	26-31
Total estimated direct employment	34	55	101-106
Estimated indirect employment	18	29	52
Total estimated employment	52	84	153-158
ARA loan participation in the project was \$345,000.			

Thus, long before the full potential of this development is realized, some 150 jobs, direct and indirect, will have been created in the area, and at only \$2,300 per job in ARA loan participation.

The foregoing impact analysis does not state the impact of the Schweitzer Basin project during the balance of the year, May through October. Schweitzer operates its chair lift and restaurant during the summer for a fair amount of income, and the new facilities being built by private financing as a result of Schweitzer, along with the promotional efforts it spurs, will greatly enhance the year around appeal of the area.

The total effect of all these developments on the non-skiing part of the year is impossible to project at this time, and has been excluded from the impact analysis.



Spacious accommodations are provided for guests. Jobs are created for service personnel.

EMPLOYMENT AT SCHWEITZER BASIN

Schweitzer Basin reported 1963-64 season employment as 29 men and 3 women, 27½ part time and 4½ full time. Weighing the project's reported individual jobs by the reported months, days, or hours worked produced a total of 151.4 man-months worked, or 12.6 man-years (full-time job equivalents). The ski resort operated only 112 days during the 1963-64 season, as compared with the contemplated 180 days, because the access road became impassable at times and the chair lift failed on an otherwise favorable weekend. Employment at Schweitzer Basin, as well as skier expenditures and related employment, is computed on both the 112 day and 180 day basis in the impact analysis.

EMPLOYMENT IN THE REDEVELOPMENT AREA

The Idaho Employment Security Agency surveyed 162 local business firms and found that 69 additional people were employed during the 1963-64 ski season, and that there should be a further increase of 37 people by 1964-65, for a total increase of 106, all directly attributable to the opening of Schweitzer Basin. These figures are exclusive of employment at the ski area itself and do not include the prospective employment of several planned new enterprises. Since Schweitzer Basin was only open 112 days in 1963-64 and its full winter season would total only 180 days, the addition of 69 persons employed are adjusted to 21 full-time job equivalents for the 112 day season and 34 for the pro-forma 180 day season. The forecast 106 total additional employees are adjusted to 53

(180 day basis) for estimating future employment in the area.

A later section of this report contains other information supplied by the Idaho Employment Security Agency.

EMPLOYMENT PROJECTED FOR PLANNED NEW ENTERPRISES IN THE AREA

Several new enterprises or major expansions of existing enterprises are planned for the Sandpoint area, as a direct result of the development of Schweitzer Basin. These enterprises estimate their future employment at between 53-62 persons. Adjusted to a 180 day basis, this figure amounts to 26-31 full-time job equivalents. The planned enterprises are essentially public accommodations.

The existence of these plans is documented by correspondence in ARA files. A capsule description of some of these projects is provided in the section of this report, "Individual Examples of Schweitzer Basin Impact."

DIRECTLY RELATED EMPLOYMENT

Directly related employment is that employment directly stimulated by purchases of goods and services by individuals and firms directly serving tourists. For the purposes of this study, the directly related employment must be stimulated in nearby redevelopment areas to count toward ARA's employment created total.

The following food items purchased and sold by Sandpoint restaurants originate in northern Idaho:

- Some meat, largely for hamburger, is slaughtered locally from local beef. Most local beef is of commercial quality; higher grade cuts must, for the most part, come from the outside. Restaurants in the area sell very little pork and virtually no lamb. Locally grown and slaughtered meat constitutes somewhat less than half that served in the area.
- Virtually all fish served locally is caught and processed locally. Trout, from Lake Pend Oreille, fresh and smoked, is a sizeable local item. Shellfish, to the extent that it is used, is brought in from outside.
- Eggs are purchased locally to the extent that they are available—increased purchases resulted in a tight supply last winter. Potatoes, not processed, are Idaho grown, and it is likely that the processed

variety purchased from Spokane have an Idaho origin.

- Some dairy and baking products are furnished locally, but most bread is shipped in from outside.

Other purchases from outside, mainly Spokane, Washington, include mass prepared food items, higher grade meat, canned goods (fresh fruits and vegetables, particularly berries, are purchased locally, when available), condiments, etc.

Linen service is based in Spokane, but some laundry is done in Coeur d'Alene, Idaho, a neighboring redevelopment area.

Based on the consensus of estimates by Sandpoint restaurant operators, locally produced food probably constitutes nearly 25 percent of that purchased. Since food purchases are equal to about 40 percent of restaurant revenues, the locally produced portion would amount to nearly 10 percent of total tourist (skier) spending in restaurants.

This spending would amount to \$12,750 for 30,000 skiers (Situation 1), \$20,500 for 48,200 skiers (Situation 2), and \$29,400 for 69,300 skiers (Situation 3), or 1.3 jobs, 2.0 jobs, and 2.9 jobs, respectively, based on an estimate of \$10,000 in farm-food processing sales per job.

Employment is also generated in food handling or wholesaling businesses. This type of activity would apply to virtually all food purchases by skiers. The employment involved would amount to \$62,000 (the average sales per employee in wholesaling) divided into 40 per-



The Lodge's restaurant accommodates large crowds with hearty meals served by the staff.

cent of the total spent for food purchased in restaurants, which would amount to 0.8 jobs per 30,000 skiers, 1.3 jobs per 48,200 skiers, and 1.9 jobs per 69,300 skiers.

Total directly related employment stemming from the two above cases alone would be 2.1 in the 30,000 skier situation, 3.3 in the 48,200 skier situation, and 4.8 in the 69,300 skier situation.

Some directly related employment probably occurred in such industries as retailing, because of purchases by skier-serving business (food in some instances); lumbering, as a result of increased consumption of paper and other products which are shipped in from Spokane but may originate in raw material form in northern Idaho; beverage distribution channels (beer sales increased 7%); and business services such as plumbing and electrical repair. The exclusion of the foregoing items from the calculation of directly-related employment results in a slight understatement of impact in the area.

INDIRECT EMPLOYMENT

The effect of the respending of tourist dollars in a relatively underdeveloped area has been calculated at a multiplier of 29.1 percent which would add about \$0.40 in respending to each \$1.00 spent by tourists.¹ This calculation assumes that the area has the normal amount of trade and service activity, but is dependent on some other center or centers for the production of goods.

The Sandpoint, Idaho, area has, in addition to normal trade channels and services, a degree of local agriculture and fishing. It is roughly estimated from interviews with local businessmen that about 25 percent of Sandpoint food purchases are locally grown and processed. This 25 percent would amount to 6 percent of total consumer expenditures, based on national spending patterns. Adding the 6 percent to the already computed multiplier of 29.1 percent provides a Sandpoint multiplier of 35.1, which, when multiplied out (0.29 plus 0.29 times 0.29, etc.), would add about 54 percent to the direct and directly related spending in the area. The 54 percent is termed indirect spending or the spending that results in indirect employment.

Applying the 54 percent to the three situations in the impact analysis provides the following amounts of indirect employment:

	<u>Situation 1</u>	<u>Situation 2</u>	<u>Situation 3</u>
Direct and directly related jobs	33	53	97
Effect of respending X <u>54%</u>		X <u>54%</u>	X <u>54%</u>
Indirect jobs	18	29	52

The above calculations are somewhat rough, but provide reasonably accurate and conservative approximations for ARA purposes.

IMPACT ON PUBLIC REVENUES

Development of the northern Idaho economy could be furthered by public improvements such as a more extensive recreationally-oriented road system, loop highways and the like. One loop highway is now being built around Priest Lake. This highway would tend to work traffic in a circle through northern Idaho, hitting points such as Sandpoint and Coeur d'Alene. Schweitzer Basin could use assistance on its access road problem, and there are many other worthwhile uses for public funds.

A small, but nevertheless significant contribution is made toward public improvements by the new tax revenues created as the result of ARA projects. In the case of Schweitzer Basin, property taxes of \$3,700 per year will be generated by the project itself and another \$15,000 to \$25,000 a year can be expected from the planned new business ventures that should come about as the result of the Schweitzer Basin development. By way of comparison, Bonner County's total general tax revenues were \$740,000 in 1962, of which some \$3,000 was spent for parks, recreational and natural resources. Highway outlays were \$308,000.



Ample parking space is provided. License tags come from many parts of the country, with emphasis on Canadian visitors.

¹ ARA Staff Study, "Relationship of Investment in Tourist Facilities to the Generation of New Employment," by John Flory, Office of Planning and Research.

FUTURE DEVELOPMENT OF THE RESORT

Future plans of Schweitzer Basin call for more intensive advertising and promotion. The area expects to profit substantially from the assistance and promotional help of transportation firms, particularly Northwest Airlines and the Great Northern and Northern Pacific Railroads. More concentrated promotional efforts are planned for California, Oregon, Washington, British Columbia, and Alberta in the far West, and in the East North Central and West North Central States.

The midwest area is enjoying a skiing boom, despite the limited terrain in that region. As midwest skiers learn to ski, they aspire to try mountain slopes and turn to the mountain States. Schweitzer intends, through its own and community efforts and cooperation of carriers operating on northern routes, to aggressively seek a share of this business.

Schweitzer also plans to have an instructional area set aside for beginners, to continuously develop its ski instruction program, and to use more snow packing equipment. These moves coupled with its expanded promotional activities and the new accommodations planned for the area, will attract learn-to-ski weekend and other through-the-week type skiers.

Skiers on the west coast, particularly Washington and Oregon, often experience rainy weather; in fact, about as much rain falls as snow. This condition makes taking a complete ski vacation a risky venture on the coast. Schweitzer Basin, with its dependable snow cover, has an excellent opportunity to attract Pacific coast skiers for the longer vacation stays.

Canadian business at Schweitzer Basin was substantial last winter and should become stronger as the word of the area spreads.

The strongest factor that weighs in favor of more overnight and through-the-week skiing business than was experienced in the 1963-64 season is the fact that few skiers will risk the time and money involved in a ski vacation on an area that is unproved and unknown. Skiers will make initial one-day trips, if possible, and some weekend trips, as word of the area spreads. However, longer stays are unlikely until the area establishes a good reputation as a worthwhile ski vacation spot. Schweitzer Basin's first season, then, was an occasion for the sampling of its merits by interested, but wary, skiers. Further seasons should develop a more profitable vacation-type patronage, one that has a greater economic impact.

The projection of future skier expenditures used in Situation 3 of the impact analysis (which states a larger percentage of overnight business and additional through-the-week business) is likely to prove a conservative estimate and one that should be surpassed within the not-too-distant future.

COMMENTS ON THE ECONOMIC IMPACT OF SCHWEITZER BASIN BY THE IDAHO EMPLOYMENT SECURITY AGENCY

The Idaho Employment Service contacted 162 firms in the larger Sandpoint, Idaho, area and found that 69 additional people were employed during the 1963-64 season as a result of Schweitzer Basin. Since these were seasonal jobs, the number was proportionately reduced to obtain the full-time job equivalents used in the analysis in this report. For the 1964-65 season, the firms contacted estimated a further employment increase of 37 for a total of 106 seasonal employees. Firms which did not show an increase in employment did indicate an increase in business of \$24,660, 1962-63 versus 1963-64, and estimated a further increase of \$9,340 for the 1964-65 season. Since the nature (service or trade) of these businesses is not known, no estimate of equivalent employment has been included in the impact analysis. This may have resulted in an understatement of from 1 to 3 jobs. All of the above estimates exclude employment at Schweitzer Basin, Inc., and its concessionaires and subcontractors.

The Employment Security Agency estimated that the following improvement in employment occurred, 1963-64 versus 1962-63, and that the improvement was partly caused by Schweitzer Basin.

Employment for February

	<u>1964</u>	<u>1963</u>
Work force	4,840	4,739
Unemployment rate	13.6%	16.8%
Number of unemployed	658	796

Thus, despite a year-to-year expansion of the labor force by 101 persons, unemployment was reduced by 138. Winter unemployment in northern Idaho is often about three times that in the summer months.

ESTIMATED DAILY BUDGET FOR SKIERS AT SCHWEITZER BASIN

The estimates of skier expenditures used in the impact analysis are based on estimated daily budgets of \$14.42 for overnight skiers

and \$8.42 for day skiers. One operator of a motel-restaurant-bar calculated that for every room rented by three skiers, \$25 was spent in his establishment and \$25 was spent elsewhere. This amounts to spending of \$16.67 per day per skier, slightly more for those using double or single occupancy. The ARA study, "Skier Market in Northeast North America," found that skiers spend an average of \$16.78 per day on vacation trips and \$18.06 per day on weekend trips.

The budgets arrived at in the impact analysis in this report are lower than the examples cited above because:

- the area is not fully developed with first-class, higher rent accommodations (such as those of the operator quoted above)
- gasoline purchases in the Sandpoint area were less than those normally expected because of a price war in the Spokane area
- a number of day skiers, particularly those using season tickets, originate in the Sandpoint area and probably spend a dollar or so a day less than those originating at points farther away.

The maximum effect that the smaller spending of local skiers could have on total skier expenditures would be a reduction of less than 10 percent. It is believed that this possible reduction is more than offset by the conservative estimates used in the skier budgets, as well as those used throughout the report. The calculation of the percentage of overnight skiers (33½ percent of the total) is particularly conservative since only those skiers staying in commercial motels or hotels in the Sandpoint area were counted even though there was some indication of additional guests staying in private homes and in a commercial facility in Coeur d'Alene, Idaho.

UNEMPLOYMENT IN NORTHERN IDAHO

Unemployment in northern Idaho (the panhandle or "Northern Empire") ranges from a low of about one thousand persons in the summer months to a high of about three thousand in the winter. Roughly speaking, the rate of unemployment ranges from below 4 percent to nearly 12 percent of the labor force. The average rate, year around, is approximately 8 percent. Unemployment would have to be reduced by about 500 persons to reduce the average rate to below 6 percent.

ARA has approved four Section 6 projects (industrial-commercial loans authorized under Public Law 87-27) in northern Idaho with esti-

mated jobs totaling 275. In addition, 32 persons have been retrained. With the exception of the one truncated season of Schweitzer Basin, most of the impact of the ARA approved projects has yet to be felt. Pending ARA projects include another industrial-commercial loan for the expansion of Schweitzer Basin and technical assistance for the development of the northern-most part of Lake Coeur d'Alene. These developments would complement each other to some extent and, along with the scheduled completion of a scenic loop highway around Priest Lake, would greatly enhance northern Idaho as a tourist destination or sub-destination point.

The foregoing developments were given cursory review during the field survey and the conclusion was reached that the northern Idaho subregion of redevelopment areas could disappear from the map in the not-too-distant future, almost solely because of ARA assistance, approved and pending.

Schweitzer Basin fits into the employment needs of its area with great precision. Not only does the project create business and employment in the most slack months of the year (November through April), but the project's busiest days are on weekends and holidays when commercial traffic, upon which motel-hotel-restaurant type businesses are dependent, is nearly nonexistent.

CANADIAN BUSINESS—A NATIONAL IMPACT

During the 1963-64 season, one motel assembled a list of its skier guests and their home addresses for future promotional purposes. This list of 232 skiers was analyzed and broken down by origin of the skier, as follows: Idaho 27, Spokane 92, Washington, other than Spokane 57, Montana 16, Oregon 2, Pennsylvania 1, and *Canada* 37. Canadian skiers constituted 16 percent of the total for this motel; even larger percentages were estimated elsewhere. It appears that from 15 percent to 25 percent of the area's ski business came from across the border, thus adding directly and indisputably to Gross National Product as well as to the northern Idaho economy (and helping minutely to stem the outflow of gold).

The fact that the area manager of Schweitzer Basin is a product of Canadian skiing and well known in Canada, and that the Canadian Olympic team trained at Schweitzer, is partly responsible for the Canadian patronage; but so is the fact that these skiers (Olympics con-

tenders included) declare that the area is one of the best in the Canadian-U.S. West.

Canadian visits to northern Idaho had been on the decline prior to 1963, mainly because of currency devaluation (7 percent discount), reduction in the value of U.S. goods that could be taken back into Canada, and the opening of the Rogers Pass section of the Trans-Canada highway and resultant re-routing of much traffic which formerly passed through northern Idaho over U.S. 95 from the international boundary south through Sandpoint.

As a matter of goodwill, Schweitzer Basin sells its lifts tickets to Canadians at par. The increase in Canadian traffic caused by the opening of Schweitzer has reversed the decline of recent years.

INDIVIDUAL EXAMPLES OF SCHWEITZER BASIN IMPACT

This section lists capsule descriptions or examples of individual impacts of the Schweitzer Basin project. Most (but not all) of these impacts are taken into account by the impact analysis.

These examples were drawn, in part, from materials supplied by ARA field personnel and, in part (a lesser part), from the field survey:

- Construction of the \$500,000 Schweitzer Inn began in May—private financing. The new inn is being built by Pend Orielle Resorts, Inc., a corporation recently formed by Sandpoint and Spokane businessmen. Its 40 units will employ 15 full-time workers.
- In view of the success of the initial season at Schweitzer Basin, a second firm is planning to construct a new 40-unit motel, to cost about \$500,000. It will employ from 25 to 30 workers.
- An already-operating facility, the Ace Motel, says it kept its units full all winter, and has three new units under construction at a cost of about \$10,000.
- Kamloops Resort, in the Sandpoint area, has depended primarily upon summertime patronage—until last year. Then came a “marked change,” reports Robert J. Butler, owner-manager of the resort. Additional business came their way, and, as a result of operation of Schweitzer Basin, Kamloops says that “on many occasions, families stayed with us a week at a time to enjoy the skiing. We heard nothing but favorable comments about Schweitzer and what it offered as a winter sports resort.”



Good slopes with plenty of snow are the drawing cards at Schweitzer Basin. The resort also has a bracing effect on the local economy.

Kamloops has built a central lodge, containing a store, and a snack bar, and has a swimming pool, heated, about three-fourths completed, all because of Schweitzer. Kamloops has added two more employees. Plans for the future include the construction of more lodging units.

- By late summer, 1964, a firm plans to build and operate 15 to 25 A-frame homes, where families or groups will be able to lease or rent the units for the season or for the entire year. Later stages of this project will include a multiple-housing type apartment-motel for overnight or weekend lodging, and recreational facilities including horseback riding, trails, and facilities for those interested in nature study. Initial payroll of \$10,000 for 2 employees. Eventually would add 2 full and 1 part-time.
- A firm plans to build a 32-unit motel and restaurant, to cost about \$300,000, and to employ about 10 permanent employees. Expects to be open for the 1964-65 winter season.
- A downtown Sandpoint restaurant says the past winter was “an exceptional one.” It plans to construct a 28-unit motel adjacent to the restaurant. Expected employment: 8-10 persons in addition to present restaurant.
- Farm produce—meat, potatoes, eggs, milk and bakery products—are in increased demand. Local shortages existed on some of the products at times during the 1963-64 season.
- J. E. Pemberton, manager for Blake, Moffit and Towne, reporting increased business by Dixie Cup Co., whom they represent: “Our sales during these months last year far exceeded the previous years. We attribute this

to the splendid job of developing Schweitzer Basin."

- Robert C. Templin who operates a restaurant and lodge in the Coeur d'Alene area, kept statistics on customers traveling to and from Schweitzer Basin, identifying people because of ski equipment on their automobiles, ski clothing and tags. He says that the average number of Sunday diners was 60 people, that their average check was \$2.30, and that the lodge kept about 40 rooms rented to skiers throughout the winter.

- Many Canadian skiers have commented that Schweitzer offers them better skiing conditions than their own areas of British Columbia and Alberta. Canadian patronage at Schweitzer is expected to increase substantially.

- From C. Grover Wilson, manager for Zellerbach Paper Co., commenting on the effect the Schweitzer Basin opening had on his firm's paper product businesses: "Even though this particular venture is just getting off the ground we were pleased to note a nice increase in our business in the Sandpoint area as a result of the operation last fall and winter."

- From H. G. Wise, district sales representative for Texaco, Inc.: "Texaco retail marketers have definitely benefited as a result of the increased traffic and activity both in Sandpoint and surrounding areas. Gasoline sales have shown an impressive increase during the months of December, January, February and March, as compared with previous sales." Phillips Petroleum also reported an increase in business over this period, averaging about 10 percent.

- From Walt McPherson, extension agricultural agent, for the State of Idaho: "Many businesses have reported a 20 to 40 percent increase, and approximately 100 people are employed in Bonner County that were not employed the previous year. About 40 percent of these workers are from the rural area surrounding Sandpoint. This additional employment has given an added boost to the purchasing power and use of agricultural commodities in the area." Meat increased 30 percent. Milk, butter, eggs, potatoes up.

- The first stage of an extensive real estate and resort development, Schweitzer Village, to be built during the summer of 1964, is to be a \$300,000 18-unit apartment building and dormitory. The completed village will eventually include a restaurant, lounge, shops and additional rental units, with swimming pool, to cost

a total of over \$1-million. Schweitzer Land Co. regular employment: 6-8 employees; peak seasonal employment: 15-18.

- Seven business establishments in the Sandpoint area remained open during the 1963-64 winter that were not open previous winters. Because of the amount of business these firms received last winter, they intend to remain open during subsequent ski seasons.

- One motel, somewhat off the beaten track, reported that its business had doubled while the ski development was "operating good." About half of its patronage was Canadian.

- One motel-restaurant establishment showed a 75 percent year-to-year gain in rooms revenues for the 1963-64 ski season; employment in the facility was maintained at the summer level. For the future, the proprietor "looks for a bigger winter operation than summer."

- A number of real estate agencies report a considerable increase in activity (estimated by one as up 20 percent overall).

- One restaurant's business jumped 40 percent from the previous winter's level.

- One of Sandpoint's hotels more than doubled its normal winter business. Describing the ski development as a wonderful setup, it reported that from 50-75 skiers, largely college groups, checked in each weekend.

- A motel which had closed the previous two winters accommodated some 60 skiers per weekend during the 1963-64 ski season; a substantial number were Canadian. The owner now plans to expand with a \$30,000 restaurant and bar facility.

- A restaurant-night club facility said the new development helped tremendously. Winter business was doubled, particularly on weekends, and two extra people were employed. The owner had spent \$6,000 for a skier-type fireplace-cocktail lounge in anticipation of the development and was planning another \$10,000 for improvement of dancing facilities.

- No estimate is possible of new permanent business which will be created for retail outlets in the Sandpoint-Lake Pend Oreille area by purchases of families which are acquiring or planning to build year-around vacation homes. The pattern which is developing in this connection is one of continuous occupancy by families through the summer months, with

weekend and holiday occupancy during the six-month winter sports period.

• Another economic benefit which has accrued from operation of Schweitzer Basin, and which cannot be accurately measured, is a generally improved credit and collection situation compared with preceding winters.

Another of the many evidences of the extent of area-wide interest in the Schweitzer Basin development is the number of firms handling ski equipment, apparel and accessories.

In Sandpoint, one specialty shop was established in the fall of 1962 prior to the opening of Schweitzer Basin, and several established businesses handled minor volumes of clothing and equipment. The specialty shop provided employment for from two to four people. Its operator was the only person from this area at the annual Western Ski Market in Seattle in the spring of 1963.

However, at the annual Western Ski Market in Seattle the week of April 26 this year, there were three other buyers from Sandpoint stores in attendance as well as the specialty shop owner.

The operator of Parsons Boat and Marina at Priest River, Idaho, was present at this market for the first time for the announced purpose of installing a ski department.

Three buyers from the city of Coeur d'Alene attended the market for the first time. Dingle's Hardware, one of the firms represented, carried a small amount of ski equipment last winter and now plans to expand. Representatives of the other two—J. C. Penney Company store and Kootenai Marine & Ski Shop—reported they are opening ski departments in the fall of 1964.

The improved tone of business and public morale in the Sandpoint area resulting from construction and operation of Schweitzer Basin has stimulated renewed industrial development activity by the Sandpoint Chamber of Commerce. Its industrial committee has been compiling a comprehensive brochure for early publication. Naturally, the unique year-around recreational advantages of the Lake Pend Oreille country will be stressed.

In recent months this committee has conducted negotiations with several potential new industries, such as a plastics concern—a type of business entirely new to the city. Another potential new small industry is the manufacturing of a proved and highly promising aircraft accessory.

Other ARA Publications

REDEVELOPMENT—Monthly 12-page periodical highlighting news items, feature stories, ideas exchange, bibliographies and miscellaneous information of value to persons and groups engaged in economic development and area redevelopment.. GPO*. Single copy 10 cents, annual subscription (12 issues) \$1 (50 cents additional to foreign addresses).

The Community and Economic Development—Describes the importance of a thriving economy to community growth, and outlines the steps a community can take to develop local economic activity and create new job opportunities. GPO*. Price 30 cents.

Attracting New Industry—Tells how to attract industry by effectively describing area assets to selected industrial prospects. GPO*. Price 20 cents.

Developing "Home-Grown" Industry—Shows how new industry can be developed, utilizing local resources and involving people already in the community. GPO*. Price 15 cents.

How to Make an Industrial Site Survey—Explains how to identify community sites appropriate and available for industry, and how to assemble information on these sites for use in seeking new employers. GPO*. Price 15 cents.

ARA Case Book #1—A Four-town Redevelopment Area in Southwestern Connecticut Composed of the Towns of Ansonia, Derby, Oxford and Seymour: This report discusses the area's employment trends and potentials in relation to manufacturing, tourism, and research; the role of government and private business; and an overall development theme. GPO*. Price 15 cents.

ARA Case Book #2—The Economic Feasibility of Establishing a Vegetable Processing Plant in Jackson County, Florida: Analysis of the economic feasibility of establishing a fresh vegetable canning or freezing plant in Jackson County, Florida, and estimates of the gross and net returns which might be anticipated from such a business venture. GPO*. Price 15 cents.

ARA Case Book #3—The Economic Feasibility of a Travel Service Center in Henryetta, Oklahoma: A feasibility study of a proposed travel center, an examination of traffic flow, needs for truck service, estimated sales and receipts of all possible travel services, and an estimate of profit rates. GPO*. Price 15 cents.

ARA Case Book #4—An Economic Review of Aroostook County, Maine, with Particular Reference to the Potato Industry: A review of the potato

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industry in Aroostook County, Maine, covering background on potato production, processing, storage and markets in relation to fluctuating prices, and potential solutions to these problems. GPO*. Price 10 cents.

ARA Case Book #5—Closing of the Studebaker Plant. South Bend, Indiana: Description of steps taken to minimize hardship to individuals and the community upon the closing of the Studebaker plant in South Bend, Indiana, and analysis of how to prevent or minimize the deleterious effects of future major industrial or defense shutdowns. GPO*. Price 15 cents.

ARA Field Report—Proposals for Making the Development Program More Effective in Jefferson County, Illinois: Department of Commerce. Price 10 cents.

ARA Field Report—Opportunities for Economic Development in the Bristol-Plymouth Area, Connecticut: Department of Commerce. Price 10 cents.

ARA Field Report—Opportunities for Economic Growth in the Washington, Missouri, Redevelopment Area (Franklin County): Department of Commerce. Price 10 cents.

ARA Field Report—Opportunities for Economic Growth in the Cambridge, Ohio, Redevelopment Area: Department of Commerce. Price 10 cents.

ARA Field Report—Opportunities for Economic Growth in the Reynolds and Wayne Counties Redevelopment Areas, Missouri: Department of Commerce. Price 10 cents.

ARA Field Report—Opportunities for Economic Growth in the McAlester, Oklahoma, Redevelopment Area (Pittsburg County): Department of Commerce. Price 10 cents.

ARA Field Report—Suggested Development Opportunities for Russell County, Virginia: Department of Commerce. Price 10 cents.

**Publications identified by "GPO" may be obtained from the Superintendent of Documents, U. S. Government Printing Office, Washington, D. C. 20402. Publications identified by "Department of Commerce" may be obtained from U. S. Department of Commerce, Washington, D. C. 20230.*



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Contents	Page
Introduction	1
The Impact Analysis	2
Number of skiers and resort revenues	
Number of skiers staying overnight	
Estimated daily budget for skiers at Schweitzer Basin	
Skier expenditures estimated for three situations	
Employment created	
Employment at Schweitzer Basin ..	4
Employment in the Redevelopment Area	4
Employment Projected for Planned New Enterprises in the Area ...	5
Directly Related Employment ...	5
Indirect Employment	6
Impact on Public Revenues	6
Future Development of the Resort ..	7
Comments on the Economic Impact of Schweitzer Basin by the Idaho Employment Security Agency ...	7
Estimated Daily Budget for Skiers at Schweitzer Basin	7
Unemployment in Northern Idaho ..	8
Canadian Business — A National Impact	8
Individual Examples of Schweitzer Basin Impact	9